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Investigators Say, That Evidence In Attack on Libyan Goes Unused

The following article is based on reporting by Philip Taubman and Jeff F. Gerth and was written by Mr. Taubman.

FORT COLLINS, Colo., Aug. 22
Federal and local prosecutors have not actively pursued a large body of evidence that investigators believe links the suspect in the attempted assassination of a Libyan student here last year to a former agent for the Central Intelligence Agency, according to officialshere and in Washington.

The former agent, Edwin P. Wilson, is a fugitive from charges that he illegally exported explosives to Libya and trained terrorists there.

The sole defendant in the Colorado shooting case is Eugene A. Tafoya, who was charged by the local District Attorney with shooting Mr. Zagallai twice in the head on the evening of Oct. 14, 1980. His case is scheduled to go to trial in Colorado district court early in November.

No Indictment Planned

According to Federal law-enforcement officials, the evidence, discovered five months ago, includes banking and corporate documents that suggest Mr.. Wilson arranged, and may have financed, the attack against the Libyan student, Faisal Zagallai. The student was an outspoken critic of Col. Muammar el-Qaddaff, the Libyan leader.

Various investigations of Mr. Wilson have been marked, according to officials, by a lack of coordination and a general concern, that, if Mr. Wilson stands trial, he could produce documents and other materials that could compromise national security and prove embarrassing to several Federal agencies.

And despite the evidence, which several Federal investigators said would be sufficient to indict Mr. Wilson as a co-conspirator in the case, prosecutors are not now planning to indict Mr. Wilson.

Before he was indicted on the exportcharges, Mr. Wilson lived on a Virginia estate outside Washington ostensibly

managing an import-export business that he began in the 1970's while working as a consultant for a Navy intelligence unit. As a contract agent for the C.I.A., he had played a role in the Bay of Pigs invasion of Cuba and other undercover operations.

Lack of cooperation between Federal and local investigative agencies is partly responsible for the failure to indict Mr. Wilson in the present case, according to local and Federal law-enforcement officials. Stuart A. Van Meveren, the Larimer County District Attorney, whose jurisdiction includes Fort Collins, said, "I don't even know if my office has all the evidence."

However, according to interviews with a wide range of law-enforcement officials familiar with the case, a more significant reason has been that the Government has not been inclined to move aggressively against Mr. Wilson in areas where his conduct has been questioned and criminal activity has been suspected.

A Lack of Coordination 91 210

At various times over the last five years, more than half a dozen Federal agencies have investigated Mr. Wilson's business and financial activities, but, officials have acknowledged in interviews, these inquiries were never coordinated.

Gerald J. Rafferty, an assistant United States Attorney in Denver, the Justice Department office that would most likely have jurisdiction for the filling of Federal charges, said his office "has no interested in the Tafoya matter." He said that he assumed the Washington office was monitoring the case.

Carol E. Burce, an assistant United States Attorney in Washington, the office that is prosecuting Mr. Wilson on the export charges, said her office was "following developments" in the Colorado case. Other Justice Department officials said there were no current plans to file Federal charges against anyone in the Fort Collins shooting.

The Fort Collins case, investigators said, has been troubled by many of the same jurisdictional and leadership problems that hampered previous investigations involving Mr. Wilson.

overseen the gathering of evidence intaing Mr. Wilson to Mr. Tafoya, which was found last April in a court-authorized search of Mr. Tafoya's residence in Truth or Consequences, N.M. And, both local and Federal officials said, the Federal Bureau of Investigation, with limited guidance from the United States Attorney's office in Washington, has not always shared information with the authorities in Fort Collins.

The District Attorney here, Mr. Van Meveren, said he had no plans to charge Mr. Wilson. He said, "I'll leave the international aspects of the case to the Federal authorities. We're not an investigative agency and the Fort Collins police are not equipped to undertake a full-scale international investigation."

Mr. Van Meveren added, "I'm not in direct contact with anyone in the United States Attorney's office in Denver or Washington."

Mr. Van Meveren said that his office, which has 10 attorneys to handle more than 1,000 felony cases a year, did not have the ability to extend the investigation beyond Mr. Tafoya.

The evidence found in Mr. Tafoya's home in April included these materials, according to court records here and Federal law-enforcement officials:

9Banking and other financial records, ncluding deposit slips. These showed hat after Mr. Tafoya visited Libya in January 1981, three months after the atack on Mr. Zagallai, his checking account at the Western Bank in Truth or Consequences was credited with a deposit of about \$8,000 received in a wire ransfer from the Union Bank of Switzerland. On the basis of this and other evidence investigators believe that Mr. Tafoya met with Mr. Wilson on his visit to Tripoli, and that Mr. Wilson may have arranged for the deposit as a partial payment to Mr. Tafoya for the assassination attempt.

TEntry stamps in four United States passports held by Mr. Tafoya. The stamps showed that he visited Libya and Malta in the summer of 1980 at the same time Mr. Wilson was in those countries. Investigators believe that the two men met on these trips to discuss plans to attack Mr. Zagallai. It was at this time, according to State Department officials, that Colonel Qaddafi was starting a concerted effort to eliminate opponents to his regime living in the Middle East, Europe and the United States. After the shooting of Mr. Zagallai, the Libyan Government said publicly that he was one of the opponents marked for assassination

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